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LISTING STATEMENT NO. 2572.

LISTED SEPTEMBER 20, 1972.
1,772,304 common shares without par value of which
374,250 shares are subject to issuance.
Stock Symbol SPZ
Post Section 3.3

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

SPAR AEROSPACE PRODUCTS LTD.

Incorporated under the laws of the Dominion of Canada
by Letters Patent dated October 27, 1967.

CAPITALIZATION AS AT AUGUST 11, 1972

	Authorized	Issued and Outstanding	To be Listed
SHARE CAPITAL			
Common Shares without nominal or par value (of which 374,250 are subject to issuance in exchange for deferred shares or reserved for future issuance including incentive stock options and executive stock options)	2,000,000	1,398,054	1,772,304
First Deferred Shares	200,000	3,500	Nil
Second Deferred Shares	200,000	150,000	Nil
Third Deferred Shares	200,000	150,000	Nil

FUNDED DEBT

Description	Outstanding as of June 30, 1972 Amount
(1) Department of Defence loan	\$ 86,270
(2) Lease - option contracts	\$ 130,130
(3) Department of Industry, Trade and Commerce loan	\$ 328,029
(4) Mercantile Bank of Canada term loan	\$1,000,000
Total	\$1,544,429

Particulars concerning the funded debt of the Company are more fully set out in Paragraph 10 hereof.

August 11, 1972

1. APPLICATION

Spar Aerospace Products Ltd. (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,772,304 common shares without nominal or par value in the capital stock of the Company, of which 1,398,054 have been issued and are outstanding as fully paid and non-assessable. Of the remaining 374,250 common shares included in this application, 303,500 are issuable on a one-for-one basis upon the surrender of deferred shares as more particularly set out below and 70,750 shares are reserved for incentive stock options and executive stock options.

The history of the Company dates from the creation in 1953 of the former Guided Missiles division of The de Havilland Aircraft of Canada Limited ("De Havilland"), at which time several specialized activities within De Havilland were integrated to form a facility devoted to design, development and production of advanced systems and products in the fields of guided missiles and weapons. Ultimately, this division was designated as the Special Products and Applied Research Division ("the SPAR Division"), and activities were carried on in research and development, repair and overhaul of aircraft instruments and the manufacturing of aerospace products. Pursuant to the terms of an agreement entered into on September 30, 1967, the SPAR Division was purchased by the Company from De Havilland as a going concern as of the close of business on December 31, 1967. Since that time, the Company has carried on business initially in a plant occupying approximately 125,000 square feet adjacent to the Toronto International Airport and more recently in its present premises of approximately 225,000 square feet on Caledonia Road in the northwestern part of Metropolitan Toronto.

NATURE OF BUSINESS

The services of the Company are the repair and overhaul of aircraft instruments and gearboxes, and engineering design and development in the areas of STEM (Storable Tubular Extendable Members, which are used as antennae, stabilization booms, payload deployment mechanisms, etc., for space craft) space craft structures, thermal systems design and control devices and attitude control systems for use in space craft. The principal products of the Company are gears, gearboxes, transmission components, solar array extension mechanisms, space craft antennae, rotary power transfer devices, infrared devices and other sophisticated items of high quality and technological content. The products and services of the Company are sold primarily to government agencies (including military institutions) or aerospace companies as a prime contractor or subcontractor. The gross revenues of the Company have increased from approximately \$5,000,000 in 1968 to approximately \$12,200,000 in 1971; projected gross revenues for 1972 are \$14,000,000. The Company presently operates facilities occupying approximately 225,000 square feet of space in a building located at 825 Caledonia Road, Toronto, and employs approximately 575 persons.

INCORPORATION

The Company was incorporated by Letters Patent of Incorporation issued by the Deputy Registrar-General of Canada on October 27, 1967. There have been no Supplementary Letters Patent issued to the Company. Generally speaking, the objects of the Company are to deal in mechanical contrivances and devices for aerial and aerospace operation or navigation, to deal in motors, and to operate research laboratories. The authorized capital consists of 2,000,000 common shares, 200,000 first deferred shares, 200,000 second deferred shares, and 200,000 third deferred shares, all without nominal or par value. Each deferred share may be converted into one common share under certain circumstances upon the payment of an amount per share as stipulated in the Letters Patent as more fully set out in Paragraph 6 hereof. Under the terms of a certificate issued on June 13, 1969, by the Deputy Registrar-General of Canada, the 2,000,000 common shares without nominal or par value may be issued for a consideration not exceeding \$4,000,000.

SHARE ISSUES SINCE INCORPORATION

(a) Common shares without nominal or par value:

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
November 1, 1967	7	\$1.00	\$ 7.00	Incorporators' share or directors' qualifying share
November 6, 1967	9,993	1¢ each	99.93	Inducement to enter into an underwriting agreement
November 30, 1967	700,000	\$1.875	\$1,312,500.00	In accordance with an underwriting and agency agreement
November 30, 1967	150,000	\$1.925	\$ 288,750.00	In accordance with an underwriting and agency agreement
November 30, 1967	50,000	\$2.00	\$ 100,000.00	In accordance with an underwriting and agency agreement
July 2, 1969	300,000	\$4.50	\$1,350,000.00	In accordance with an agreement dated May 26, 1969 between Mills, Spence Co. Ltd. and the Company
March 26, 1970	5,000	\$2.60	\$ 13,000.00	In consideration for inventory purchased
various	28,554	\$1.875	\$ 53,538.75	Issued pursuant to exercise of stock option privileges
various	5,000	\$2.50	\$ 12,500.00	Issued pursuant to exercise of stock option privileges
April 21, 1972	1,000	\$1.875	\$ 1,875.00	Issued pursuant to exercise of stock option privileges

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
June 1, 1972	1,000	\$0.90	\$ 900.00	Issued pursuant to exercise of stock option privileges
July 1, 1972	1,000	\$0.85	\$ 850.00	Issued pursuant to exercise of stock option privileges
May, 1972 to August, 1972	146,500	\$0.50	\$ 73,250.00	Conversion of 146,500 first deferred shares

(b) First deferred shares:

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
November 6, 1967	110,000	1¢ each	\$1,100.00	Initial investment
November 6, 1967	40,000	1¢ each	\$ 400.00	Inducement to enter into an underwriting agreement

NOTE: Of the above-mentioned shares, 146,500 have been converted into common shares during the period from May, 1972 to August 11, 1972. 3,500 of such first deferred shares remain outstanding.

(c) Second deferred shares:

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
November 6, 1967	150,000	1¢ each	\$1,500.00	Initial investment

(d) Third deferred shares:

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
November 6, 1967	150,000	1¢ each	\$1,500.00	Initial investment

6. STOCK PROVISIONS AND VOTING POWERS

The common shares and the first, second and third deferred shares rank equally in all respects and confer the same rights and privileges except that third deferred shares are entitled to three votes per share at shareholders' meetings whereas common, first deferred and second deferred shares carry one vote per share.

Dividends are not payable on the deferred shares until the year following that in which the consolidated net profit of the Company, after tax, exceeds, in the case of the first deferred — \$200,000; second deferred — \$300,000; and third deferred — \$400,000. When payable, dividends on the first, second and third classes of deferred shares are also restricted to the dividends declared on the preceding class, and in the case of the first deferred, on the common shares paid in the preceding fiscal year of the Company.

The deferred shares are convertible into common shares under specific conditions on the basis of one deferred share plus a cash amount for one common share as follows:

	<u>May be converted in the year following the year in which the consolidated net profit after tax exceeds</u>	<u>or in any event after</u>	<u>Converted on basis of one com- mon share for one deferred share plus cash of</u>
First deferred shares	\$200,000	April 30, 1976	\$0.50
Second deferred shares	\$300,000	April 30, 1976	\$1.00
Third deferred shares	\$400,000	April 30, 1980	\$1.50

The second deferred shares are convertible in a year subsequent to the conversion of the first deferred and the third deferred in a year subsequent to the conversion of the second deferred.

The common shares have priority on a winding up of the Company and the holders of the deferred shares are entitled to share equally share for share in all further distribution. Shares may not be subdivided or consolidated unless all other deferred and common shares are subdivided or consolidated in the same proportion and at the same time.

7. DIVIDEND RECORD

The Company has not paid dividends on any of its shares since incorporation.

8. RECORD OF PROPERTIES

The properties and plant of the Company consist of leased premises located at 825 Caledonia Road, Toronto, consisting of approximately 225,000 square feet of laboratory, manufacturing, research and office facilities housed in a modern brick and concrete plant located on a 13.4-acre site.

9.

SUBSIDIARIES

The following is a list of the subsidiaries of the Company:

Name	Date and manner of incorporation	Nature of business	SHARE CAPITAL				% owned by Company
			Class	Par Value	Amount authorized	Amount Issued	
Astro Research Corporation	California December 2, 1958	Aerospace Research and Product Development	Common	NPV	2,500	772	100%
Comspar Enterprises Ltd.	Canada March 8, 1967	Manufacturing chemical foam substances	Preferred	\$10	4,500	NIL	
			Common	NPV	100,000	60,000	100%
Spar Aerospace Products Inc.	Delaware May 7, 1968	General purposes under Delaware law	Common	\$100	1,000	10	100%

10.

FUNDED DEBT

The particulars of the funded debt of the Company as of December 31, 1971, are as follows:

Description of Issue	Aggregate Amount Authorized	Principal Amount Outstanding	Maturity Date	Interest Date
Non-interest-bearing loan from the Department of Defence, Government of Canada, assumed from York Gears Ltd., representing the balance of funds received (50% of \$1,200,000) for the purchase of machinery and equipment repayable in annual installments to 1972, at which time the Company acquires full title to the assets	\$ 612,675.45	\$ 86,270	November, 1972	N/A
Amounts payable on various lease-option contracts to the expiry of the leases including option payments	N/A	130,130	Substantially repayable by December, 1973	N/A
Non-interest-bearing loans from D.I.T.C., Government of Canada, for the purchase of machinery and equipment repayable commencing in 1972 in annual installments to 1976 at which time the Company acquires full title to the assets	\$ 374,405.00	\$ 328,029	July, 1976	N/A
Term Loan from Mercantile Bank of Canada incurred in June, 1972	\$1,000,000.00	\$1,000,000	December, 1977	Monthly

11.

OPTIONS, UNDERWRITINGS

There are at the present time no underwritings, sale agreements or other contracts or agreements with respect to any unissued shares or any issued shares held for the benefit of the Company except for:

(i) the following options relating to common shares which have been granted without consideration to officers of the Company:

Date of Grant	Number of Common Shares	Price Range 30 days preceding date of grant	Price	Exercisable after	Expiration Date
November 3, 1970	3,000	\$1.15 — \$1.75	\$1.04	April 1, 1971	March 31, 1974
November 3, 1970	4,000	\$1.15 — \$1.75	1.30	April 1, 1972	March 31, 1974
November 3, 1970	4,000	\$1.15 — \$1.75	1.56	April 1, 1973	March 31, 1974
April 8, 1971	4,000	\$0.75 — \$1.05	2.00	April 30, 1972	April 30, 1976
April 8, 1971	2,000	\$0.75 — \$1.05	2.00	April 30, 1973	April 30, 1976
April 8, 1971	2,000	\$0.75 — \$1.05	2.00	April 30, 1974	April 30, 1976
April 8, 1971	2,000	\$0.75 — \$1.05	2.00	April 30, 1975	April 30, 1976
October 28, 1971	7,000	\$1.15 — \$1.875	1.80	April 30, 1973	April 30, 1975
October 28, 1971	7,000	\$1.15 — \$1.875	2.25	April 30, 1974	April 30, 1975
November 24, 1971	2,000	\$1.45 — \$1.85	1.30	April 1, 1972	April 1, 1974
November 24, 1971	3,000	\$1.45 — \$1.85	1.56	April 1, 1973	April 1, 1974

and (ii) the following options which have been granted to employees of the Company and its subsidiaries:

<u>Date of Grant</u>	<u>Number of Common Shares</u>	<u>Price Range 30 days preceding date of grant</u>	<u>Price</u>	<u>Exercisable after</u>	<u>Expiration Date</u>
November 5, 1968	1,000	\$4.875 — \$5.125	\$1.875	November 1, 1968	March 31, 1973
November 5, 1968	1,000	\$4.875 — \$5.125	1.875	March 31, 1969	March 31, 1974
December 3, 1969	500	\$3.75 — \$5.50	1.875	December 31, 1969	March 31, 1974
November 24, 1971	2,000	\$1.45 — \$1.85	1.35	November 1, 1972	November 1, 1975
November 24, 1971	3,000	\$1.45 — \$1.85	1.6875	November 1, 1973	November 1, 1975
November 24, 1971	3,000	\$1.45 — \$1.85	2.11	November 1, 1974	November 1, 1975
November 24, 1971	2,000	\$1.45 — \$1.85	1.125	March 1, 1973	March 1, 1975
November 24, 1971	2,000	\$1.45 — \$1.85	1.406	March 1, 1974	March 1, 1975
November 24, 1971	2,000	\$1.45 — \$1.85	1.10	June 30, 1973	June 30, 1975
November 24, 1971	2,000	\$1.45 — \$1.85	1.45	June 30, 1974	June 30, 1975
January 20, 1972	2,000	\$1.55 — \$2.50	1.935	April 30, 1973	April 30, 1974
January 20, 1972	2,000	\$1.55 — \$2.50	2.42	April 30, 1974	April 30, 1975
January 20, 1972	2,000	\$1.55 — \$2.50	3.02	April 30, 1975	April 30, 1976
January 20, 1972	2,000	\$1.55 — \$2.50	3.78	April 30, 1976	April 30, 1977
January 20, 1972	2,000	\$1.55 — \$2.50	4.72	April 30, 1977	April 30, 1978
January 20, 1972	750	\$1.55 — \$2.50	1.935	April 30, 1973	April 30, 1974
January 20, 1972	750	\$1.55 — \$2.50	2.42	April 30, 1974	April 30, 1975
January 20, 1972	750	\$1.55 — \$2.50	3.02	April 30, 1975	April 30, 1976

12. LISTING ON OTHER STOCK EXCHANGES

No securities of the Company or of any subsidiaries or controlled companies are listed on any other stock exchange.

13. STATUS UNDER SECURITIES ACTS

A prospectus relating to the issue of 750,000 common shares of the Company was filed with the Ontario Securities Commission on November 30, 1967. The Ontario Securities Commission issued its official receipt on November 30, 1967.

14. FISCAL YEAR

The Company's fiscal year ends on December 31 in each year.

15. ANNUAL MEETINGS

The last annual meeting of the Company was held in Toronto, Ontario on May 18, 1972.

16. HEAD AND OTHER OFFICES

The head office and principal office of the Company is at 825 Caledonia Road, Toronto 19.

17. TRANSFER AGENT

The transfer agent for the Company is Montreal Trust Company, 15 King Street West, Toronto, Ontario.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. REGISTRAR

The Registrar for the Company is Montreal Trust Company, 15 King Street West, Toronto, Ontario.

20. AUDITORS

The Company's auditors are Clarkson, Gordon & Co., Chartered Accountants, of Toronto, Ontario.

OFFICERS AND DIRECTORS

The full name and address and occupation for the past five years of each officer or director are as follows:

<u>Name</u>	<u>Position</u>	<u>Address</u>	<u>Occupation since incorporation of the Company</u>
G. J. Aubrey	Vice-President, Finance	4 Whitecroft Place Islington, Ontario	Executive, Cole Steel International Ltd.: Executive, Spar Aerospace Products Ltd.
C. H. Barratt	Director	17 Richeleau Road Chambly, Québec	Consultant
D. S. Beatty	Director	268 Litton Boulevard Toronto, Ontario	Financial Consultant
L. D. Clarke	President and Director	234 Old Yonge Street Willowdale, Ontario	President of Spar Aerospace Products Ltd.
R. B. Dodwell	Chairman of the Board of Directors	1112 Lynbrook Road Oakville, Ontario	Investment dealer, Mills Spence & Co. Limited: Investment dealer, Walwyn, Stodgell & Co. Limited
W. H. Jackson	Director	17 Michigan Drive Willowdale, Ontario	President, Jackson Engineering Sale Limited, Consultants
Dr. P. A. Lapp	Director	9 Hammock Crescent Thornhill, Ontario	Executive, Spar Aerospace Products Ltd.: Consultant
J. E. Lockyer	Vice-President, Engineering	Apt. 1924E 400 Walmer Road Toronto 4, Ontario	Employee and Executive of Spar Aerospace Products, Ltd.
E. V. Nield	Vice-President	36 Ruscoe Crescent Weston, Ontario	Employee and Executive of Spar Aerospace Products, Ltd.
Ross A. Perigoe	Director	72 Wimbledon Road Islington, Ontario	Financial Vice-President, The Imperial Life Assurance Company of Canada
D. A. B. Steel	Secretary and Director	279 Russell Hill Road Toronto 7, Ontario	Partner, Borden, Elliot, Kelley & Palmer, Barristers & Solicitors
J. D. MacNaughton	Vice-President, Planning and Manufacturing	1583 Narva Road Port Credit, Ontario	Employee and Executive of Spar Aerospace Products, Ltd.
G. R. Rutledge	Vice-President, Manufacturing	20 Inverdon Road Toronto, Ontario	Employee, The de Havilland Aircraft of Canada, Limited: Executive, Spar Aerospace Products, Ltd.
Jack P. Wright	Director	12735 San Vincente Boulevard Los Angeles California 90049, U.S.A.	Vice-President, The Garrett Corporation

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Spar Aerospace Products Limited hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



SPAR AEROSPACE PRODUCTS LIMITED

by "G. J. AUBREY",

by "R. B. DODWELL",

DISTRIBUTION OF COMMON STOCK AS OF AUGUST 4, 1972.

Number		Shares
60	 Holders of 1 — 24 share lots	602
312	 " " 25 — 99 " "	13,900
785	 " " 100 — 199 " "	81,100
393	 " " 200 — 299 " "	80,219
152	 " " 300 — 399 " "	45,940
65	 " " 400 — 499 " "	26,050
204	 " " 500 — 999 " "	113,430
257	 " " 1000 — up " "	1,038,313
<u>2,228</u>	Shareholders	<u>Total Shares</u>
		<u>1,399,554</u>

FINANCIAL STATEMENTS

SPAR AEROSPACE PRODUCTS LTD.

Consolidated Balance Sheet, June 30, 1972

ASSETS

Current:

Cash and short-term investments	\$ 239,527
Accounts receivable	2,547,890
Amounts receivable under Government Industrial Assistance Programs	9,835
Inventories, less progress payments	1,796,625
Prepaid expenses	124,662
Income tax recovery	31,478
Total current assets	<u>4,750,017</u>

Other Assets

Deferred development costs less accumulated amortization	258,746
Patents	36,000
Non-current deferred interest charges on leased equipment	1,880
Total other assets	<u>296,626</u>

Machinery, tooling and equipment — at cost	2,717,066
Less Accumulated depreciation and amortization	764,383
Net machinery, tooling and equipment	<u>1,952,683</u>
	<u><u>\$6,999,326</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current:

Bank indebtedness	\$ 275,286
Accounts payable and accrued charges	1,683,383
Employee deductions payable	162,175
Income and other taxes payable	36,686
Current portion of long-term debt	389,644
Total current liabilities	<u>2,547,174</u>

Deferred income taxes	<u>159,000</u>
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Long-term Debt

Term bank loan	900,000
Other long-term debt	254,785
Total long-term debt	<u>1,154,785</u>

Shareholders' Equity:

Capital Stock	3,142,246
Deficit	3,879
Net shareholders' equity	<u>3,138,367</u>
	<u><u>\$6,999,326</u></u>

Note: The above statement is not audited and is subject to year-end adjustment.

Basic earnings per share based on 1,261,062 shares being the weighted average number of common shares outstanding during the period.

Note: The above statement is not audited and is subject to year-end adjustment.

SPAR AEROSPACE PRODUCTS LTD.

Statement of Consolidated Source and Use of Funds

For The Six Months Ended June 30, 1972

SOURCE OF FUNDS

Net income for the period before depreciation and other non-cash outlays	\$ 594,347
Issue of Capital Stock	11,950
Long-term debt assumed under Government Industrial Assistance Program	—
Term Bank Loan (\$1,000,000 less portion due within 1 year)	900,000
Decrease in non-current deferred interest charges	—
Increase in deferred income taxes	159,000
Total source of funds	<u>\$1,665,297</u>

USE OF FUNDS

Acquisition of shares of Astro Research Corporation	254,821
Less net current assets acquired	<u>176,800</u>
Cost of fixed assets and patents	78,021
Other additions to fixed assets	46,387
Deferred development costs	—
Repayment of long-term debt and provision for installments due currently	65,817
Total use of funds	<u>\$ 190,225</u>
Increase in working capital	1,475,072
Working capital, beginning of period	727,771
Working capital, end of period	<u><u>\$2,202,843</u></u>

Note: The above statement is not audited and is subject to year-end adjustment.

